

Climate change becoming a wake-up call in the world of finance

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As climate changes become impossible to dismiss, how does the mainstream investor community respond? Are financial decisions taking full account of risks and opportunities related to climate change, or is the topic still virtually ignored in financial decision-making?

The environmental effects of climate change in our modern world are increasingly convincing, and global leaders will gather soon in a major Summit to try to address the problem. As climate changes become impossible to dismiss, how does the mainstream investor community respond? Are [financial decisions](#) taking full account of risks and opportunities related to climate change, or is the topic still virtually ignored in financial decision-making? Paula DiPerna sets out new trends and momentum to answer these questions in her article, published in the current issue of Environment: Science and Policy for Sustainable Development, "Wall Street Wakes Up: Sustainable Investment and Finance Going Mainstream."

The forthcoming Climate Summit in Paris in December comes after many years of global negotiations. During the 1992 United Nations Conference on Environment and Development, Heads of States committed their nations to improving environmental conditions and battling climate change. The result? DiPerna writes, "Some progress has been made, of course, but far too little, considering the thousands of person-hours spent in strategy sessions, conferences, and scenario building worldwide." Breakthroughs in environmental initiatives have been made, but an overall well-funded "reindustrialization and

reemployment initiative" still remains unseen today. DiPerna suggests that a reason for the lag is for the failure to link environmental and economic questions in comprehensive fashion.

However, DiPerna cites new momentum among mainstream investors to take climate change issues into account, with new and strong interest by investors in reckoning with the fact that both the risks and costs of extreme weather events will continue to rise, with significant implications for economic stability. As more environmental information is accumulated, and the more climate change becomes irrefutable, the more relevant environmental reality becomes to economic well-being. And, DiPerna writes, mainstream investors have begun react to this connection. As more financial data is collected, the more sensible sustainable investments appear. Quite simply, DiPerna writes, "With more meaningful environmental thinking on Wall Street, climate change can be addressed and without that new thinking, [climate change](#) cannot be addressed."

Ultimately, green investments can change the landscape of our country, both socially and economically, and new thinking on Wall Street can help pave the way for these much-needed changes to occur. According to DiPerna, as a new generation of investors come into power, one can hope that a corner has been turned on Wall Street.

More information: Paula DiPerna. Wall Street Wakes Up: Sustainable Investment and Finance Going Mainstream, *Environment: Science and Policy for Sustainable Development* (2015). [DOI: 10.1080/00139157.2015.1089146](#)

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